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OFFICE OF THE STATE AUDITOR OF MISSOURI

1989 ANNUAL REPORT



MARGARET KIELLY, C.P.A.
STATE AUDITOR

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STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

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The People of Missouri
Governor John Ashcroft
and General Assembly of Missouri

Citizens of Missouri:

It is my pleasure to present to you the annual report of the State Auditor's Office.

This report includes some examples of the more than 1,200 findings contained in the 133 reports issued in 1989 by my office. Examples of findings from audits of state agencies, counties and local political subdivisions are presented in separate summary sections on the following pages.

Findings included in this report note areas where taxpayers' money could have been saved, earned, or made available for use. These examples total more than \$10 million. Other examples note instances where millions of dollars of public monies were improperly spent. Also included are examples of findings of noncompliance with state laws and regulations, as well as poor accounting controls and procedures. In addition, audits issued last year by my office identified nearly \$140,000 in taxpayer money that was misappropriated through criminal acts of fraud.

The handling of public monies demands full accountability by government. The commitment of my office is to ensure that taxpayers' money is used efficiently and legally.

The staff of the State Auditor's Office, to whom I am deeply grateful, joins me in expressing appreciation to the state and local officials who have worked with us in taking a business management approach to government operations in Missouri.

Margaret Kelly
Margaret Kelly, CPA
State Auditor

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MISSOURI STATE AUDITOR

ANNUAL REPORT

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Executive Summary

The Office of State Auditor was created in 1820 when the state of Missouri was organized. The office derives its powers from Article IV, Section 13 of the Missouri Constitution, and its legal duties are detailed in Chapter 29 of the Missouri State Statutes.

The state auditor is responsible for conducting audits of all state agencies, boards and commissions, the state court system and the 94 Missouri counties that do not have a county auditor. Audit reports issued by the state auditor are intended to provide the state and county officials with findings and recommendations to improve the effectiveness and efficiency of governmental operations.

During 1989, the Missouri State Auditor's office issued 133 audit reports. These reports contained more than 1,200 separate findings and recommendations.

Audits of state agencies included findings noting instances where state funds were expended without proper bidding, without proper authorization, and without complying with applicable regulations. This annual report includes examples of those instances. Other examples included in this report identify areas where the state could take steps to save money.

Audits of Department of Mental Health facilities indicate some improvement in the department's handling of the Medicaid Program. In previous years audits of mental health facilities have noted problems in billing procedures relating to the Medicaid Program. As a result, millions of federal dollars available to the state were lost. While audits issued in 1989 included findings in this area, it appears the department has made substantial improvement in the billing procedures and receipt of medicaid funds.

In 1989 separate audits were issued on twelve Department of Corrections facilities. The remaining two facilities were reported on in 1990. This is the first time reports on these facilities have been submitted separately. We believe this procedure will benefit the administration at the facilities, allowing for better identification of problems and also aid in the effort to address problem areas.

Last year nine audits included findings of fraud. Criminal charges and convictions resulted from the work of state auditors. It is the policy of the state auditor to work with local authorities whenever information of potential criminal wrongdoing is uncovered during audit work.

Municipal court audits included five with findings of fraud and misappropriation of funds. An attorney general's opinion several years ago declared municipal courts a part of the state circuit court system and, therefore, the audit responsibility of the state auditor. There are approximately 400 municipal courts in the state and at December 31, 1989, the State Auditor

had audited about 200 of the courts. In the vast majority of municipal courts examined, there is a need to improve record keeping and accountability. In most cases, it is the first time these courts have ever been audited.

The State Auditor's office has audited all of the circuit courts in the state, with the exception of the Sixteenth Judicial Circuit Court in Jackson County. The State Auditor's office has been denied access to the records in the Jackson County Circuit Court, but intends to continue to pursue this issue to ensure that the courts in Jackson County are subject to the same audit review standards as the state's other courts.

Twenty-seven audits were issued in 1989 as a result of citizens petitioning the State Auditor for an audit. Fire districts, road districts, ambulance districts, school districts, and cities were among the political subdivisions that received petition audits. Fifteen of these reports were issued on agencies and departments in the city of St. Louis.

Petition audits are conducted in addition to the regular responsibilities of this office and require effective management of time and resources. The St. Louis City audit was by far the biggest undertaking ever by the State Auditor's office and we believe it has provided findings and recommendations that will benefit the city and improve government accountability.

In addition to conducting audits, the State Auditor also is responsible for reviewing the property tax rates levied by political subdivisions each year. The review is mandated to determine if local tax rates comply with the statutory and constitutional provisions that regulate taxation in Missouri. In 1989, the State Auditor's office reviewed 4,930 property tax rates. These rates were levied by 2,598 different political subdivisions.

During 1989, the Missouri State Auditor's office continued its commitment to professionalism in the field of government auditing. The 135-member audit staff includes 77 certified public accountants (CPAs). The office encourages participation in professional development programs, and the Missouri State Auditor's office is recognized as a CPA firm by the state board of accountancy.

AUDIT REPORTS ISSUED IN 1989

REPORT NUMBER	AUDITEE	AUDIT PERIOD	DATE DELIVERED
89-01	State School Moneys Fund, Fair Share Fund, School District Trust Fund, and State Public School Fund	07-01-87/06-30-88	01-11-89
89-02	Perry County	01-01-86/12-31-87	01-17-89
89-03	State Lottery Commission	07-01-86/06-30-87	01-23-89
89-04	State Milk Board	07-01-87/06-30-88	01-26-89
89-05	Office of State Treasurer	07-01-87/06-30-88	01-31-89
89-06	Vernon County	01-01-86/12-31-87	02-08-89
89-07	Scotland County	01-01-86/12-31-87	02-09-89
89-08	Public Service Commission	07-01-85/06-30-88	02-23-89
89-09	Twenty-First Judicial Circuit City of Wellston	07-01-84/06-30-88	02-24-89
89-10	Division of Transportation	07-01-85/06-30-88	02-27-89
89-11	Office of Lieutenant Governor	07-01-88/01-09-89	03-01-89
89-12	Special Review of Missouri Eastern Correctional Center	07-01-87/06-30-88	03-01-89
89-13	Twenty-First Judicial Circuit - City of Kinloch	07-01-83/06-30-88	03-20-89
89-14	City of St. Louis - Office of License Collector	03-01-86/04-30-87	03-23-89
89-15	Review of Article X Sections 16-24 Constitution of Missouri	07-01-87/06-30-88	03-23-89
89-16	Van Buren R-1 School District	07-01-87/06-30-88	03-27-89
89-17	Camden County	01-01-86/12-31-87	03-31-89
89-18	St. Clair County	01-01-86/12-31-87	04-07-89
89-19	Twenty-First Judicial Circuit - St. Louis County	01-01-84/12-31-87	04-07-89
89-20	Review of 1988 Property Tax Rates	1988	04-14-89
89-21	Twenty-First Judicial Circuit - Nineteen of Eighty- One Municipal Divisions	07-01-83/06-30-87	04-19-89
89-22	Twenty-First Judicial Circuit - Seventeen of Eighty- One Municipal Divisions	07-01-83/06-30-87	04-19-89
89-23	Department of Conservation	07-01-86/06-30-88	04-28-89
89-24	Sullivan County	01-01-86/12-31-87	05-02-89
89-25	Mercer County	01-01-86/12-31-87	05-02-89
89-26	Madison County	01-01-86/12-31-87	05-04-89
89-27	Nineteenth Judicial Circuit - Cole County	01-01-85/12-31-87	05-09-89
89-28	Schuyler County	01-01-86/12-31-87	05-12-89
89-29	Twenty-Third Judicial Circuit - Municipal Divisions	1986-1988	05-16-89
89-30	W-2s	01-01-88/12-31-88	05-17-89
89-31	Knox County	01-01-86/12-31-87	05-17-89
89-32	Chariton County	01-01-86/12-31-87	05-18-89
89-33	Public Safety - Office of Director	07-01-85/06-30-88	05-18-89
89-34	Review of Independent Audits of Fire Protection Districts in St. Louis County		05-23-89
89-35	City of Steelville	07-01-87/06-30-88	05-30-89
89-36	Review of Design & Construction	07-01-85/06-30-87	05-31-89
89-37	McDonald County	01-01-86/12-31-87	05-31-89
89-38	Fifteenth Judicial Circuit - City of Concordia	04-01-86/03-31-89	06-02-89
89-39	Hannibal Regional Center for the Developmentally Disabled and Auxiliary Fund	07-01-85/06-30-88	06-08-89
89-40	St. Louis Regional Center for the Developmentally Disabled and Auxiliary Fund	07-01-85/06-30-88	06-09-89
89-41	Marion County	01-01-86/12-31-87	06-15-89
89-42	Office of Administration	07-01-85/06-30-88	06-19-89
89-43	Division of Highway Safety	07-01-85/06-30-88	06-20-89
89-44	Special Review of the Sheriff of Miller County		06-21-89
89-45A	General Purpose Financial Statements - Management Advisory Report	07-01-87/06-30-88	06-21-89
89-45B	General Purpose Financial Statements	07-01-87/06-30-88	06-21-89
89-46	Cooper County	01-01-86/12-31-87	06-22-89
89-47	Campaign Finance Review Board	07-01-85/06-30-88	06-26-89
89-48	Office of Administration - Administrative Hearing Commission	07-01-85/06-30-88	06-26-89
89-49	Renz Correctional Center	07-01-85/06-30-88	06-27-89
89-50	Special Review of Desegregation Payments to St. Louis City and County School Districts	07-01-87/06-30-88	06-28-89
89-51	City of Greenwood	07-01-87/06-30-88	06-29-89
89-52	Twenty-Third Judicial Circuit - City of Festus	10-01-85/09-30-88	07-12-89

REPORT NUMBER	AUDITEE	AUDIT PERIOD	DATE DELIVERED
89-53	City of Essex	07-01-86/06-30-87	07-13-89
89-54	Missouri State Fair	07-01-86/06-30-88	07-13-89
89-55	Albany Regional Center for the Developmentally Disabled and Auxiliary Fund	07-01-85/06-30-88	07-14-89
89-56	St. Louis State Hospital and Auxiliary Funds	07-01-85/06-30-87	07-17-89
89-57	Rolla Regional Center for the Developmentally Disabled and Auxiliary Funds	07-01-85/06-30-88	07-25-89
89-58	Division of Administration	07-01-84/06-30-86	07-26-89
89-59	Office of the Adjutant General - State Emergency Management Agency	07-01-85/06-30-88	07-26-89
89-60	Nodaway County	01-01-86/12-31-87	07-27-89
89-61	Division of Veterans' Affairs	07-01-85/06-30-88	07-27-89
89-62	Division of Youth Services	07-01-85/06-30-88	07-28-89
89-63	Office of the Adjutant General	07-01-85/06-30-88	07-28-89
89-64	Department of Revenue - County Tax Section	07-01-85/06-30-88	07-31-89
89-65	Bureaus of Motor Vehicle and Field Services	07-01-85/06-30-88	08-07-89
89-66	City of Cuba	07-01-87/06-30-88	08-14-89
89-67	City of Green Ridge	07-01-87/06-30-88	08-15-89
89-68	City of St. Louis - Metropolitan Police Department	07-01-87/06-30-88	08-16-89
89-69	St. James Veterans' Home and Auxiliary Funds	07-01-85/06-30-88	08-16-89
89-70	Division of Fire Safety	07-01-85/06-30-88	08-17-89
89-71	Newton County Collector	03-31-88/02-28-89	08-17-89
89-72	Stoddard County	01-01-86/12-31-87	08-22-89
89-73	Gasconade County	01-01-86/12-31-87	08-25-89
89-74	Algoa Correctional Center	07-01-85/06-30-88	08-28-89
89-75	Boonville Correctional Center	07-01-85/06-30-88	08-29-89
89-76	Central Missouri Correctional Center	07-01-85/06-30-88	08-30-89
89-77	Division of Liquor Control	07-01-85/06-30-88	09-12-89
89-78	Webster County	01-01-86/12-31-88	09-12-89
89-79	DOR - Bingo Section	07-01-85/06-30-88	09-14-89
89-80	Moniteau County	01-01-86/12-31-88	09-20-89
89-81	City of Salem	07-01-87/06-30-88	09-25-89
89-82	Department of Highway and Transportation	07-01-86/06-30-87	09-25-89
89-83	Department of Highway and Transportation	07-01-86/06-30-88	09-25-89
89-84	City of St. Louis - Public Utilities	05-01-86/04-30-87	09-27-89
89-85	City of St. Louis - Public Safety	05-01-86/04-30-87	09-27-89
89-86	Fulton State Hospital and Auxiliary FUNds	07-01-85/06-30-88	09-28-89
89-87	Department of Agriculture	07-01-86/06-30-88	09-29-89
89-88	Scott County	01-01-85/12-31-87	10-03-89
89-89	Randolph County	01-01-86/12-31-87	10-04-89
89-90	MO 3rd and 4th Class Counties		10-05-89
89-91	Andrew County	01-01-86/12-31-87	10-12-89
89-92	City of St. Louis - Parking Meter Division	07-01-87/06-30-88	10-18-89
89-93	City of Aurora	07-01-87/06-30-88	10-18-89
89-94	Barton County	01-01-86/12-31-88	10-23-89
89-95	Twenty-First Judicial Circuit - City of Country Club Hills - Municipal Division	04-01-87/03-31-89	10-25-89
89-96	City of Pacific	07-01-87/06-30-88	10-25-89
89-97	Department of Labor and Industrial Relations	07-01-85/06-30-88	10-30-89
89-98	Chillicothe Correctional Center	07-01-85/06-30-88	10-30-89
89-99	Missouri Training Center for Men	07-01-85/06-30-88	10-30-89
89-100	Farmington Correctional Center	07-01-85/06-30-88	10-30-89
89-101	State Guaranty Student Loan Fund	07-01-88/06-30-89	10-31-89
89-102	Ray County	01-01-86/12-31-87	10-31-89
89-103	St. Clair County Collector	7 months ended 11-09-89 09-30-89 and 03-01-88/02-28-89	
89-104	Maries County	01-01-89/12-31-88	11-15-89
89-105	City of St. Louis - Henry W. Kiel Auditorium	07-01-87/06-30-88	11-21-89

REPORT NUMBER	AUDITEE	AUDIT PERIOD	DATE DELIVERED
89-106	City of St. Louis - Alfonso J. Cervantes Convention Center	07-01-87/06-30-88	11-21-89
89-107	Ozark County	01-01-87/12-31-88	11-22-89
89-108	Fulton Reception and Diagnostic Center	07-01-85/06-30-88	11-27-89
89-109	Linn County	07-01-85/06-30-88	11-28-89
89-110	Mt. Vernon Veterans' Home and Auxiliary Funds	07-01-85/06-30-89	11-28-89
89-111	Putnam County	01-01-86/12-31-88	11-30-89
89-112	City of St. Louis - Airport	07-01-87/06-30-88	12-06-89
89-113	Special Review of University of Missouri Research Reactor Topaz Operation	11-1-85/02-28-89	12-13-89
89-114	Department of Mental Health - Special Review of Capital Expenditures	07-01-83/06-30-88	12-13-89
89-115	City of St. Louis - City Marshall	07-01-87/06-30-88	12-14-89
89-116	City of St. Louis - Supply Division	05-01-87/06-30-88	12-14-89
89-117	City of St. Louis - City Register	07-01-87/06-30-88	12-14-89
89-118	City of Ellisville	01-01-88/12-31-88	12-14-89
89-119	Goldman Fire District	01-01-88/12-31-88	12-18-89
89-120	Moberly School District	07-01-87/06-30-88	12-19-89
89-121	City of St. Louis - Public Administrator	05-01-86/04-30-87	12-20-89
89-122	Missouri Eastern Correctional Center	07-01-85/06-30-88	12-21-89
89-123	Ozark Correctional Center	07-01-85/06-30-88	12-21-89
89-124	Howell County	01-01-86/12-31-88	12-22-89
89-125	Tipton Pre-Release Center	07-01-85/06-30-88	12-22-89
89-126	KaCee Honor Center	07-01-85/06-30-88	12-22-89
89-127	City of St. Louis - Board of Aldermen	07-01-87/06-30-88	12-27-89
89-128	City of St. Louis - Office of Mayor	07-01-87/06-30-88	12-27-89
89-129	City of St. Louis - Medical Examiner	07-01-87/06-30-88	12-27-89
89-130	Unionville Special Road Dist	01-01-88/12-31-88	12-28-89
89-131	Mexico Veterans' Home	07-01-85/06-30-89	12-28-89
89-132	Adair County	01-01-87/12-31-88	12-29-89
89-133	Jasper County Collector	01-01-88/06-30-89	12-29-89

Citizen Involvement

All audit reports produced by the State Auditor's office are public documents after they have been signed by the State Auditor. Reports are made available to state, regional, and local media. Reports are also delivered to the Missouri State Library and are available through the state's library system.

Citizens may request copies of any audit report by writing P. O. Box 869, Jefferson City, Missouri, 65102. Telephone 314-751-4213.

In addition, information from citizens, legislators, and government employees aids the State Auditor in performing audits. Citizens are urged to contact the State Auditor at the above address or telephone number if they have information they feel would be useful to auditors. All sources of information will be kept confidential.

STATE AUDIT SUMMARY

The State Auditor is responsible for auditing state agencies, boards and commissions, as well as the state circuit court system. In 1989, the State Auditor issued 70 reports on these state entities.

The audits included recommendations in more than 500 areas where we believe the agencies should take action to improve efficiency and accountability.

Audits noted instances where state agencies could save money. In other instances we recommended action that would allow the state to realize additional revenue from outside funding sources. Other findings noted situations where procedures did not comply with state constitution, laws and regulations, as well as agency policies. In some cases state funds were spent without proper documentation or authorization.

Following are some examples of the findings included in our audit reports on state agencies.

Department of Corrections

Audits of individual correctional facilities noted problems in food inventory records. In some cases amounts of food items in inventory records did not agree with physical counts of the items. The difference may be due to poor record keeping, loss, or theft of food. The State Auditor recommended that discrepancies should be investigated. The audits found that some facilities were overstocked in significant amounts for some food items.

State Lottery Commission

The commission purchased seven hundred electronic signs costing approximately \$525,000 which were not used. The signs remained stored in a warehouse.

The lottery, which is exempt from sales tax on its purchases, paid over \$131,000 in sales tax as indicated on invoices from a contractor.

Department of Economic Development

Public Service Commission

Retroactive pay increases totaling \$1,548 were given to seven members of the Public Service Commission staff. The Missouri Constitution prohibits retroactive pay increases.

The PSC Fund expended \$287,619 for the regulation of railroads, but was only reimbursed \$235,312 from the Railroad Expense Fund.

Approximately \$700 was noted as travel expenses which were not in accordance with the state regulations and PSC policies and procedures.

Special Review

Office of Administration

Division of Design and Construction

The division is not inspecting the bulk of the work done on state construction projects to ensure quality control, the audit found. Officials of the division agreed with the finding and indicated more personnel will be needed to implement the recommendation. The audit also recommended that the division establish a policy that considers the past performance of a contractor when awarding contracts. The audit cited an example in which the division awarded a contract to a construction company, even though substantial evidence was on file of poor performance in the past.

The Division of Design and Construction approved change orders totaling \$185,308, which were not included in the original plans, and were not necessary to complete the project as designed.

Documentation was not available to support that leases for five facilities were advertised and competitively bid as required by Office of Administration policy. Annual lease payments for these five facilities totaled \$549,216.

Department of Mental Health

Hannibal Regional Center

\$120,577 in Medicaid revenues was lost because of deficiencies in the billing procedures for the Medicaid Program.

\$64,679 was not realized by the facility due to erroneous application of the standard means test when determining amounts to be charged to persons receiving services.

The audit noted that a follow-up on recommendations made in the previous state audit showed that the Hannibal Regional Center had implemented most of the previous audit recommendations, including the State Auditor's recommendation to close the facility-operated cafeteria and instead contract for catered meals. By contracting for catered meals, the facility realized a savings of approximately \$39,000 during the two years ended June 30, 1988.

Office of Administration

The state could save an estimated \$395,000 per year if the Office of Administration improved procedures for obtaining travel services. There are no controls to ensure the state receives the best rates on out-of-state travel.

Department of Public Safety

Division of Highway Safety

Some expenditures made out of the Police Traffic Services Advisory Council memorandum project were not in compliance with the memorandum project's guidelines. Some expenditures were not necessary for the project purposes. These expenditures totaled \$9,912.

Department of Corrections and Human Resources

Renz Correctional Center

The Renz Correctional Center (RCC) purchased gasoline costing \$7,389 from a wholesaler without competitive bidding as required by state law. In a comparison with the Missouri State Penitentiary (MSP), which competitively bids gasoline purchases, auditors found that the RCC paid between 5 cents and 14 cents more per gallon for gasoline than the MSP.

Department of Public Safety

St. James Veterans Home

Certification as a skilled nursing or intermediate care facility would result in the facility being eligible for medicaid and medicare. Based on a survey of nonveterans currently paying less than the maximum monthly contributions, facility revenues could be increased by approximately \$95,982.

The facility paid travel expenses of \$2,343 for employees of the Division of Veterans Affairs; purchased a car costing \$10,721 that was used by the Division of Veterans Affairs; and purchased computer equipment costing \$660 that was used by the Division of Veterans Affairs. The monies were appropriated to the St. James Veterans Home to cover the cost of its operation.

The Home Assistance League Fund (HALF) spent \$753 for new carpeting for the Administration Building and \$3,006 for an annual employee appreciation dinner and awards during the audit period. The HALF was created to benefit the facility's residents, but the above expenditures do not appear to benefit the facility's residents.

**Special Review of Desegregation Payments
to St. Louis City and County School Districts**

The court-ordered funding method and funding patterns of the district have resulted in \$84,580 in interest being owed by the school district to the state.

Department of Agriculture

Missouri State Fair

The State Fair should have received at least \$10,442 from the sale of tickets that could not be accounted for as sold or returned as unsold.

Department of Mental Health

Albany Regional Center

The Albany Regional Center lost at least \$77,869 in net Medicaid revenues as a result of problems noted in the facility's handling of the Medicaid Program.

The regional center could save about \$150,000 annually by closing its eight-bed residential living unit and provide this residential care in alternative community beds.

Department of Mental Health

Rolla Regional Center

The Rolla Regional Center lost over \$109,000 in net Medicaid revenues as a result of problems noted in the facility's handling of the Medicaid Program.

Division of Veterans Affairs

The division's central office used approximately \$20,000 of appropriations that was designated for use by state veterans' facilities. The central office used the money to purchase a vehicle, computer equipment, and pay for personal service and travel expenses.

Department of Revenue

Bureau of Motor Vehicle

Bureau of Field Services

The Bureau of Motor Vehicle wrote off as uncollectable over \$120,000 due from former fee agents. The audit noted that collection efforts were not adequate.

It appears an additional \$2 million in delinquent taxes could be collected annually by the Bureau of Motor Vehicle with the development of a system that utilizes dealer sales reports.

Department of Corrections and Human Resources

Algoa Correctional Center

The Algoa Correctional Center purchased gasoline costing about \$16,500 without competitive bidding as required by state statute. In a comparison with the MSP, which competitively bids gasoline purchases, auditors found that Algoa paid between 5 and 14 cents more per gallon for gasoline than MSP.

Department of Corrections and Human Resources

Boonville Correctional Center

The Boonville Correctional Center (BCC) purchased gasoline costing about \$18,000 without competitive bidding as required by state statute. In a comparison with the Missouri Highway and Transportation Department (MHTD), Maintenance and Traffic Division, in Boonville, which competitively bids each gasoline purchase, auditors found that the BCC paid between 8 and 19 cents more per gallon for gasoline than the MHTD.

Department of Corrections and Human Resources

Central Missouri Correctional Center

Employees at the Central Missouri Correctional Center (CMCC) were required to falsify time and attendance records to reduce the amount of compensatory time on official state records. The audit described a system in which compensatory time earned by employees was kept by supervisors in unofficial records. The system was aimed at reducing compensatory leave balances.

The CMCC purchased gasoline costing about \$14,000 without competitive bidding as required by state statute. In a comparison with the MSP, which competitively bids each gasoline purchase, auditors found that the CMCC paid between 5 and 13 cents more per gallon than the MSP.

Department of Highway and Transportation

The department operates a credit union in its headquarters and each of its 10 districts. The credit unions are operated by department employees who are paid from state funds and office space, equipment, and supplies are also provided by the state. The credit unions do not reimburse the state for these expenses, which may total \$850,000 annually.

The department's policy on paying moving expenses for employees allows payment of costs which typically would not be borne by the state. Unlike other state agencies reviewed, the department does not provide for a maximum total reimbursement, such as 5 percent of the employee's salary. Had the reimbursable moving expenses been limited to 5 percent of annual salary, the department could have saved \$112,582 during the year ended December 31, 1987.

A review of 45 of the 126 passenger cars maintained by the department indicated 38 of the 45 did not appear to be cost justified. If the department had required employees to use their own cars and reimbursed for personal mileage, the department would have saved \$32,550 on these 38 cars. It appears the department may have passenger cars that are not needed.

Department of Mental Health

Fulton State Hospital

The Fulton State Hospital incurred approximately \$55,687 of unrecovered costs from February 1987, through June 30, 1988, under an agreement to provide meals to Callaway County Jail inmates. The county reimburses the hospital \$2.25 per inmate, per day. However, the actual cost to provide this service is approximately \$5.84 per day.

The facility's average sick leave usage per full-time employee was second highest in fiscal year 1988 and highest in 1986 and 1987 compared with other state hospitals. The average sick leave in 1988 was 22 hours higher than the average of 69.2 hours per employee at state agencies surveyed by the Office of Administration.

State funds totaling \$290,613 were used to pay salaries of persons working in facility canteens during the audit period. The canteens should be operated on a self-sustaining basis, to include payment of salaries from canteen revenues.

The facility had 61 vehicles consisting of 20 motor pool vehicles and 41 vehicles assigned to various service areas. This appears to be an excessive number of vehicles based on annual mileage of 18 vehicles tested.

The hospital could realize approximately \$250,000 annually in medicare-medicaid reimbursements if it would have increased the number of beds that meet federal standards. The hospital made no attempt to increase the number of certified beds until fiscal year 1988.

Department of Labor and Industrial Relations

The Division of Workers Compensation and the Commission on Human Rights incurred an additional \$1,434 in personnel and employee benefit costs by carrying employees on the payroll as active employees after their date of termination.

During fiscal year 1987, the Division of Workers Compensation incurred obligations totaling \$32,038 which could not be met from that year's expense and equipment appropriation. These obligations were paid from the subsequent year's appropriation. During fiscal years 1988 and 1987, the Division of Labor Standards incurred obligations totaling \$2,465 and \$383, respectively, which could not be

met from the applicable year's expense and equipment appropriation. These obligations were also paid from the subsequent year's appropriation.

Department of Corrections and Human Resources

Chillicothe Correctional Center

The Chillicothe Correctional Center purchased items costing \$3,105 with funds from the Inmate Canteen profits without the approval of the Inmate Canteen Committee.

Department of Corrections and Human Resources

Ozark Correctional Center

The Ozark Correctional Center (OCC) purchased gasoline costing approximately \$19,500 without competitively bidding as required by state law. In a comparison with the MHTD, which competitively bids gasoline purchases, auditors found that the OCC paid between 2 and 10 cents more per gallon than the MHTD.

The OCC rents 15 housing units located on the institutional grounds to its employees. The OCC violated departmental policy by paying for trash pickup for employees renting these housing units. The costs totaled about \$1,100 per year.

Department of Public Safety

Mexico Veterans Home

\$6,030 funds appropriated to the Mexico Veterans Home were used to pay personal service expenses for the Division of Veterans Affairs central office. The expenditures were charged to the home because the central office personal service appropriation was not sufficient to cover these costs.

Department of Economic Development

Division of Transportation

Missouri motor carriers are not receiving adequate benefit from reciprocal agreements between the Missouri Division of Transportation and nine other states. These other states charge Missouri motor carriers, primarily trucks, an annual regulatory fee to operate in their state, while Missouri does not charge carriers from these states a fee. The reciprocal agreements should allow Missouri motor carriers to operate in reciprocal states without paying a regulatory fee.

Department of Conservation

Employees assigned state vehicles often used their personal vehicles and claimed mileage on their expense accounts. More than 1.7 million miles were claimed by

department employees during the audit period. Employees are reimbursed 20.5 cents per mile for mileage claimed, while the department estimates the average cost per mile to operate department passenger vehicles is 14.91 cents. As a result, it appears that additional costs are incurred by the department due to employees driving personal vehicles rather than available department vehicles.

Special Review of the

University of Missouri Research Reactor Topaz Operation

The university uses its research reactor to irradiate white topaz with neutrons to produce commercially valuable colored topaz. Two employees who supervised the irradiation of topaz also were involved in the purchase and sale of topaz for personal benefit. The audit cited several situations of conflict of interest. It also reported that the employees sold topaz to the university; avoided the proper purchasing channels; and created and changed billing policies which benefitted their own and related parties' businesses.

Special Review

Department of Mental Health

Capital Expenditures

The Department of Mental Health received more than \$139 million in capital improvements funding for fiscal years 1983 through 1988 without submitting capital improvement plans to the Office of Administration. Without submitting the required plans, the department, governor's office and legislature are deprived of information necessary for making efficient, effective and economical capital improvement decisions. The reasons for the department's failure to supply all required information in its budget request appears to be a lack of adequate staffing at the facility level and central office and inadequate knowledge of the requirements on budget preparation.

State of Missouri

General Purpose Financial Statements

An annual audit is performed of the state's General Purpose Financial Statements that are prepared by the Office of Administration. The State Auditor qualified her opinion on the state's general fixed assets account group due to insufficient records. The State Auditor also noted that she could not tell if amounts recorded as income tax revenues were accurate or fairly presented. The State Auditor's office is allowed only limited access to income tax returns and related source documents. As a result, audit procedures could not be performed.

Department of Mental Health

St. Louis State Hospital

The hospital did not receive approximately \$1.7 million in federal funds during the audit period because the hospital was unable to meet standards necessary for medicare-medicaid reimbursement. The State Auditor recommended the department consider increasing staffing levels and physical plant standards to meet federal certification.

The hospital had unaccountable losses of \$103,580 in linen for the audit period. Some of this amount may be due to wear and tear, but linen loss still appears unreasonable. The State Auditor recommended that the hospital conduct quarterly linen inventories and investigate all linen losses and properly document all linen issuances.

Department of Public Safety

Mount Vernon Veterans Home

The State Auditor noted that officials at the facility took positive steps to improve the operation of the facility. The State Auditor noted that the facility took some corrective action on approximately 70 percent of the recommendations made in the previous state audit of the facility.

FRAUD AUDITS

Of the audits issued by the State Auditor in 1989, nine contained findings relating to fraud.

The policy of the State Auditor is to notify law enforcement officials whenever auditors detect possible criminal activity. In some cases, audit findings have resulted in arrests and criminal charges being filed by law enforcement officials against individuals.

These fraud findings were reported in some cases as the result of routine audits by the State Auditor. The State Auditor also was requested in some cases to perform a special review as part of an investigation of possible fraudulent activity.

Five of the fraud findings relate to audits of municipal courts. An attorney general's opinion several years ago placed municipal courts under the state circuit court system and, as such, they are a regular audit responsibility of the State Auditor. The state audits mark the first time most of these municipal courts have been audited.

The detection of fraud is an area of emphasis in the professional training members of the State Auditor's staff receive annually. It is an area that law enforcement in general is emphasizing. The State Auditor's office appreciates the cooperation and assistance it receives from state and local law enforcement agencies in the investigation of fraud.

Following is some information regarding the findings of fraud included in audits issued in 1989 by the State Auditor.

21st Judicial Circuit

City of Wellston Municipal Court

\$37,180 in fines and court costs received by the city was never deposited in the city treasury. The lack of internal controls and accounting records allowed the misappropriation to go undetected. A former city employee pleaded guilty to felony theft after an investigation was conducted by police as the result of the state audit.

Department of Corrections and Human Resources

Special Review of Missouri

Eastern Correctional Center

The Missouri Eastern Correctional Center (MECC) at Pacific, Missouri, paid \$10,846 for weight-lifting equipment and stereo equipment it did not receive. The MECC also paid \$6,964 for unnecessary and excessive recreational clothing. Lapses in internal controls allowed the misappropriation to occur without detection. The Department of Correction requested the State Auditor to conduct the special review.

21st Judicial Circuit

City of Kinloch Municipal Court

\$64,278 in court fines, court costs, and bond monies was misappropriated and was not turned over to the city. The misappropriation was not detected by the city because of numerous internal control weaknesses, including a lack of segregation of duties, little or no independent review and lack of record keeping.

Camden County

Associate Circuit Court

An investigation by the Missouri State Highway Patrol of Uniform Traffic Ticket procedures resulted in charges of stealing more than \$150 in three separate cases. The lack of controls and weaknesses noted in existing controls contributed to the misappropriation of these monies.

Sullivan County

Circuit Court

A review of the Circuit Clerk's accounting records revealed missing funds totaling \$1,481. Poor internal controls within the office resulted in these errors going undetected by the Circuit Clerk.

15th Judicial Circuit

Concordia Municipal Court

A total of \$568 was reported missing from court funds, including bond payments, fines, court costs, and a change fund maintained by the court.

Special Review of

Miller County Sheriff's Office

A misappropriation of \$2,876 resulted from instances where amounts recorded on receipt slips were not deposited.

23rd Judicial Circuit

Festus Municipal Court

Court costs, fines, and bond payments totaling \$7,083 were received by the court, but never deposited and transmitted to the city. The shortage went undetected due to a lack of segregation of duties, little or no independent review, and a lack of adequate record keeping.

21st Judicial Circuit

City of Country Club Hills Municipal Court

\$7,427 in court costs, fines, and bond payments was received by the court, but never transmitted to the city.

Petition Audit Summary

The right of citizens to petition their government for a "redress of grievances" is one of the fundamental rights cited in the Missouri Constitution. The Missouri State Statutes also establish the right for citizens to petition their state government for an audit of any local political subdivision.

In 1989, the State Auditor's office issued twenty-seven audit reports as the result of petitions signed and submitted by citizens. The reports included audits on road districts, fire protection districts, school districts, cities and villages, and various departments and agencies in the city of St. Louis.

The petition audit process is defined under state law which establishes that the state auditor shall audit any political subdivision of the state if enough qualified voters of that political subdivision request the audit. Citizens have petitioned for audits of political subdivisions ranging in size from the town of Weableau (population 343) to the city of St. Louis.

Petition audits are conducted in addition to the regular audits performed by the State Auditor. Following are some examples of the findings included in the petition audits issued in 1989. These examples note instances of poor accountability; improper investments; improper procedures; lack of bidding procedures; improper tax levies; apparent conflict of interest situations; questionable expenditures; and utility revenues being used to subsidize general operations.

City of St. Louis

Office of the License Collector

The audit cited a total lack of accounting controls and reported that approximately \$6 million was lost through inadequate tax collection efforts. The city lost about \$350,000 because of illegal investments. Also, the audit found that about one-third of the businesses examined by auditors did not have city business licenses and that 8 percent of those with licenses, were undercharged.

City of St. Louis

Metropolitan Police Department

At least 584 traffic tickets were improperly voided and not transmitted to the St. Louis City Municipal Court. The audit reported that tickets were voided outside of normal channels by officers of all ranks and that usually the officer voiding the ticket was not the officer who issued the ticket.

City of Essex

The city continued to collect a debt service tax after the debt for which the tax was levied had been paid off. As a result, city taxpayers were overtaxed approximately \$23,000.

Unionville Special Road District

In Putnam County

Errors were noted on payroll reports filed by the former Treasurer of the road district for his own salary. The former Treasurer's wages for 1987 were underreported to the Internal Revenue Service by \$5,164.

City of Cuba

City officials and the officers and Board of Directors of the Cuba Industrial Development Authority were involved in situations that appeared to be conflicts of interest.

City of Salem

The audit reported that the general operating fund of the city is in poor financial condition. The city transferred over \$1 million from the Electric Fund to the General Fund during a two-year period to subsidize the general operations of the city.

Van Buren R-1 School District

The audit also noted that the school district does not have a formal bidding policy and, as a result, purchases totaling \$82,386 either had not been bid or there was no adequate documentation to assure that adequate bidding procedures had been employed.

City of Steelville

User fees charged for electric service exceeded the cost of operating the utility. During a five-year period, more than \$1 million was transferred from the Electric Fund to subsidize other city funds.

City of Greenwood

The city has not developed a formal bidding policy. As a result, an additional \$1,100 of interest could have been earned during the 1988 fiscal year. The city has not developed a formal bidding policy and, as a result, failed to solicit bids or document bids for \$106,471 of purchases.

City of Aurora

The city has not developed a formal written bidding policy. Bids were not solicited for purchases of \$25,236. In other cases, sufficient documentation was not maintained to support the bid and award process.

City of Green Ridge

The city's 19-cent tax levy for streets was established without the voter approval required by the State Constitution.

City of Ellisville

The city has not established a written policy regarding allowable costs that can be incurred by elected officials for city-related business. The audit noted a number of questionable expenditures. Questionable expenditures included \$6,339 for a Christmas party; \$5,409 for a picnic; and \$26,659 for the preparation of the 1989 and 1988 city calendars.

Goldman Fire Protection District

The district established the general levy at 24 cents instead of at 23 cents as allowed by state statutes, resulting in taxpayers being taxed an additional \$2,503.

COUNTY AUDIT SUMMARY

The Missouri State Auditor's office is responsible for performing audits of all Missouri counties that do not have a county auditor. Currently, 94 of the state's 114 counties fall into this category.

In 1989, the State Auditor issued audits of thirty counties, as well as four audits of individual county offices. State law requires the State Auditor to audit a county collector's office whenever a vacancy occurs in the office. As a result, the State Auditor reported on the collector's offices in St. Clair, Newton, and Jasper Counties in 1989. The Miller County Sheriff's office was also audited in 1989 to investigate a reported misappropriation of funds in the office.

The audits included more than 460 recommendations to improve accountability and efficiency for county government.

For the past eleven years, this office has issued an aggregate report on the ninety-four counties audited by the State Auditor. The report includes financial statistics, assessed valuation, and tax levies; and bonded indebtedness for the counties.

Following are examples of some findings that might be considered typical of the counties audited by the State Auditor.

Assessment Fund

Funding requirements established by statutes were not always in agreement with how the various counties actually funded the Assessment Fund.

Associate Division Court's Accounting Controls

Various associate division courts did not make bank deposits on a timely basis, did not prepare bank reconciliations and were not reconciling cash balances to a listing of liabilities to prove the accuracy of their records.

Bidding Procedures

Various counties did not bid purchases in accordance with Missouri law or did not document their actions in obtaining bids.

Budgetary Practices and Financial Position

Various counties had errors in the prior year's financial data presented in the budget document. Some counties distorted their anticipated financial position by not showing all available resources at the beginning of the year, or by understating revenues or overstating expenditures.

Circuit Clerk's Accounting Controls

Various circuit clerks did not make bank deposits on a timely basis, did not prepare bank reconciliations, and were not reconciling cash balances to a listing of liabilities to prove the accuracy of their books.

County Collector's and Ex Officio County Collector's Procedures

Various collectors did not provide all required information on their annual settlements. They did not reconcile bank records to monthly statements of collections. They did not keep accurate daily receipts ledgers.

County Collector's and Ex Officio County Collector's Commissions and Salary

Corrections were sometimes needed when comparing the salary paid to collectors with audited calculations. Commissions were overretained or underretained because they were not always computed in accordance with statutes.

County Expenditures

Documentation for payments was not always present. Receipt of goods was not always noted on invoices. Payments were sometimes made without contracts. Some counties made donations in violation of state law.

County Property Records

Some counties did not keep a complete inventory of county real and personal property, and others did not update existing records on a current basis.

County Treasurer's Accounting Practices and Controls

Various treasurers did not make bank deposits on a timely basis and did not prepare adequate bank reconciliations. They maintained an excessive number of bank accounts and did not properly document transfers between accounts or the method used to allocate interest income.

Depository Agreements and Collateral Securities

Some counties have not entered into formal depositary agreements with their depositary banks. The depositary agreements that were in effect were not always specific in the services to be provided or the cost of those services. Counties did not require depositary banks to pledge the amount of collateral security required by Missouri law.

Health Center Controls and Procedures

Various health centers allowed actual expenditures to exceed budgeted amounts; while others did not present total resources available on the budget, thus, reflecting an inaccurate picture on the health center's financial position. Personnel and payroll procedures were sometimes inadequate and not in compliance with the Fair Labor Standards Act. General fixed asset records were sometimes inaccurate or incomplete and not maintained on a current basis.

Personnel Records

Some counties did not have written personnel policies. Many did not monitor annual and sick leave earned and taken. Additionally, various counties did not maintain adequate records to support overtime in compliance with the Fair Labor Standards Act. Adequate and complete personnel files were not always maintained.

Public Administrator's Settlements

Settlements were not always filed as required by Missouri law and some did not include all necessary information. Supporting documentation of settlement transactions was not available in some cases.

Sheltered Workshop

Various county sheltered workshops did not maintain written contracts with the not-for-profit corporations from which services were obtained.

Sheriff's Accounting Controls, Mileage Procedures, and Board of Prisoners

Various sheriff's did not make bank deposits on a timely basis, did not prepare bank reconciliations, and were not reconciling cash balances to a listing of liabilities to prove the accuracy of their records. Documentation of mileage claims was not always present and mileage procedures were not always in accordance with Missouri law. Expenditures made for board of prisoners were not always adequately documented.

Statutory Salaries and Bond Coverage

Various county officials received salaries different than their statutory allowances. This was often a result of using incorrect assessed valuations or population sizes when computing the statutory salaries. Others either did not obtain bond coverage or did not have adequate coverage as required by state statutes.

Review of Property Tax Rates

Property taxes collected each year from Missourians provide a major source of funding for local governments. These taxes help finance the operation of our counties, cities, schools, and libraries, and also help provide funding for other important services.

The State Auditor is required to review property tax rates of all taxing authorities in the state. This includes tax rates that fund counties, cities, school districts, road districts, fire districts, ambulance districts, and libraries. The review is needed to determine if the rates comply with the statutory and constitutional provisions that regulate taxation in Missouri.

In 1989, the State Auditor's office reviewed 4,930 property tax rates. These rates were levied by 2,598 different political subdivisions. The rates were reviewed for compliance with state statutes and with Article X, Section 22 of the Missouri Constitution, better known as the Hancock Amendment. Since the laws are subject to change by the legislature and to interpretation from the court system, the procedure for reviewing tax rates must be continually monitored.

Of the more than 4,900 tax rates reviewed last year, 36 rates were determined to be in excess of the legally permissible tax levy. Those rates, levied by 29 political subdivisions, were excessive by amounts ranging from 1 cent to 88 cents.

The opinion of the State Auditor's office on tax rate compliance is an advisory opinion, only. The State Auditor does not have enforcement powers. However, taxpayers who believe a local taxing authority has not complied with the laws regarding establishment of tax rates, have recourse under state statutes.

According to the law, a taxpayer may make a formal complaint with the prosecuting attorney of the county. If the prosecutor fails to bring an action within 10 days of the filing of the complaint, the taxpayer may bring a civil action on his own behalf and as a representative of all taxpayers in the taxing jurisdiction.

The following tables and chart contain information regarding the tax rates reviewed by the state in 1989.

Exhibit A
Summary of Tax Rates

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates		
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	Other (1)
AMBULANCE DISTRICTS	100	113	99	10	4
HOSPITALS AND HEALTH CENTERS	15	16	13	0	3
NURSING HOME DISTRICTS	28	35	25	2	8
PUBLIC WATER SUPPLY DISTRICTS	2	2	1	0	1
SOIL AND WATER CONSERVATION SUBDISTRICTS	19	20	14	6	0
DRAINAGE AND LEVEE DISTRICTS	2	2	2	0	0
SPECIAL ROAD DISTRICTS	261	345	286	49	10
MUNICIPALITIES	849	1633	1147	227	259
TAX SUPPORTED PUBLIC LIBRARIES	80	88	78	10	0
TOWNSHIPS	324	849	566	269	14
FIRE PROTECTION DISTRICTS	181	298	239	25	34
SEWER DISTRICTS	38	39	35	1	3
STREET LIGHT MAINTENANCE DISTRICTS	3	3	2	1	0
MISCELLANEOUS	26	31	25	6	0
JUNIOR COLLEGES	11	15	11	0	4
SCHOOL DISTRICTS	544	974	515	108	351
COUNTIES	115	470	407	43	20
Totals	2598	4933	3465	757	711

(1) This column includes those levies for which only the current year's assessed valuation was used in the computation of the 1989 tax rate (debt service levies and additional voter-approved levies where the public was notified that the voted rate was based on the current year's assessed valuation). This column also includes levies which were not certified in 1989 and/or 1988 due to insufficient substantiating data.

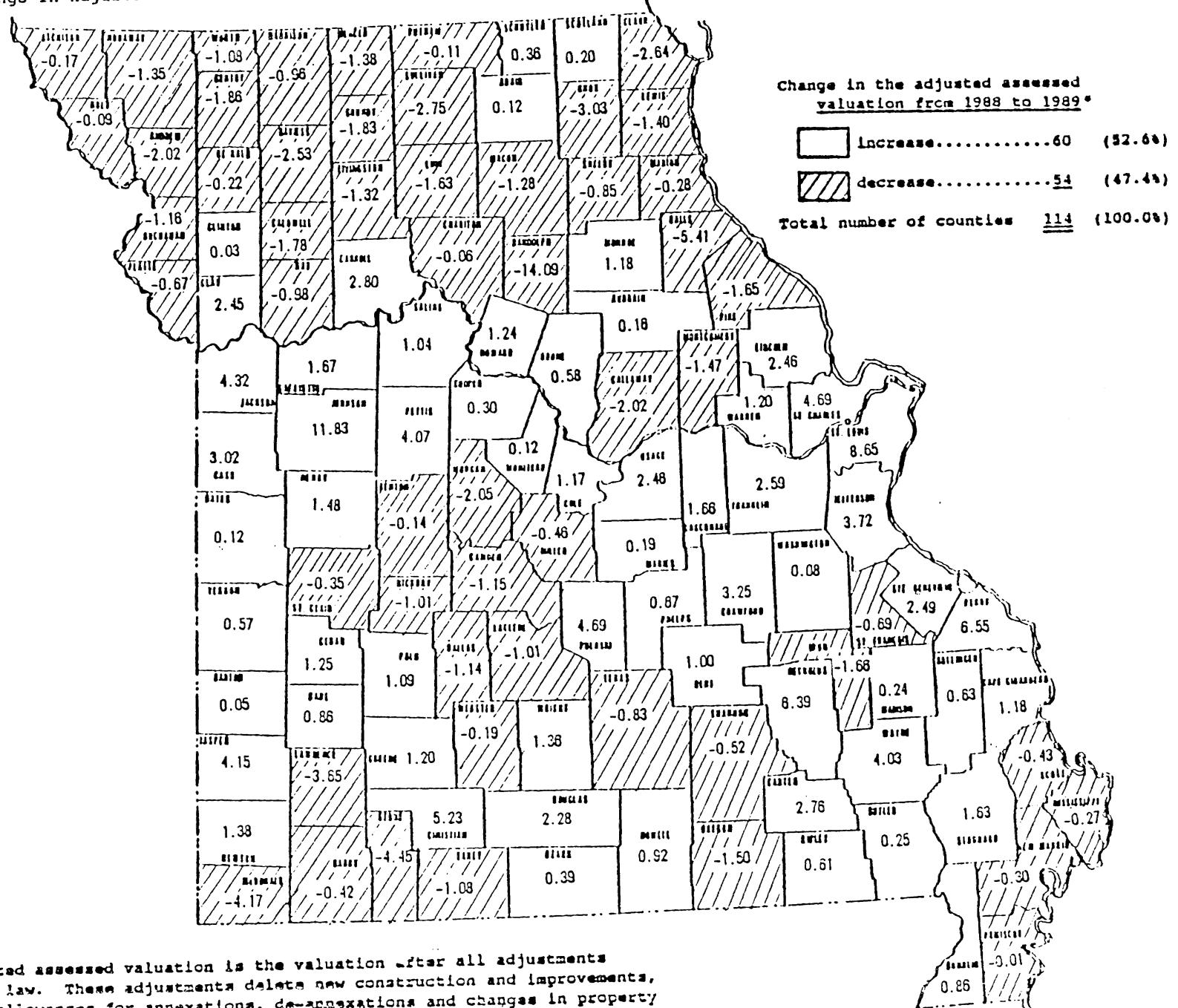
Schedule 1
Listing of Local Governments Levying in excess of Tax Rate Approved

County	Name	Purpose	*****1989*****		
			Assessed Value	Approved	Levied
ANDREW	SAVANNAH R-III SCHOOL DISTRICT	OPERATING FUNDS-SCHOOLS	47,415,868	2.650	2.730
CAMDEN	MID COUNTY FIRE PROTECTION DISTRICT	GENERAL REVENUE	54,904,640	0.000	0.300
CARROLL	CARROLLTON R-VII SCHOOL DISTRICT	OPERATING FUNDS-SCHOOLS	28,178,005	2.270	2.400
	WAKENDA C-2 SCHOOL DISTRICT	OPERATING FUNDS-SCHOOLS	2,180,902	2.740	2.950 *
CASS	NORTHWEST CASS FIRE PROTECTION DIST	GENERAL REVENUE	64,522,493	0.400	0.550
		AMBULANCE	64,522,493	0.090	0.300
		SPECIAL OPERATING	64,522,493	0.060	0.100
COOPER	COOPER COUNTY	GENERAL REVENUE	88,163,668	0.150	0.160
		ROAD & BRIDGE	88,163,668	0.270	0.280
CRAWFORD	STEELVILLE FIRE PROTECTION DIST	GENERAL REVENUE	25,735,488	0.180	0.190
DAVIESS	JACKSON TOWNSHIP OF DAVIESS CO	ROAD & BRIDGE	2,134,740	0.480	0.490
GENTRY	STANBERRY FIRE PROTECTION DIST	GENERAL REVENUE	12,167,913	0.090	0.150
GREENE	STRAFFORD R-VI SCHOOL DISTRICT	OPERATING FUNDS-SCHOOLS	24,571,560	2.550	2.630
HARRISON	NORTH HARRISON CO. R-III SCH DIST	OPERATING FUNDS-SCHOOLS	10,453,842	2.630	3.510
HOWARD	HOWARD CO FIRE PROTECTION DIST	GENERAL REVENUE	26,783,705	0.210	0.250
	HOWARD COUNTY	GENERAL REVENUE	56,890,764	0.210	0.240
JEFFERSON	GOLDMAN FIRE PROTECTION DISTRICT	GENERAL REVENUE	26,534,116	0.230	0.240
JOHNSON	CITY OF WARRENSBURG	PARKS & RECREATION	61,043,747	0.190	0.200 *
LEWIS	LEWIS COUNTY	HEALTH	59,032,642	0.090	0.100
LINN	LINN COUNTY	HEALTH	68,427,654	0.090	0.100
MADISON	MADISON COUNTY	GENERAL REVENUE	52,058,182	0.040	0.100
MILLER	BRUMLEY FIRE PROTECTION DISTRICT	GENERAL REVENUE	14,371,311	0.000	0.300
MISSISSIPPI	MISSISSIPPI COUNTY	GENERAL REVENUE	85,314,855	0.180	0.200
		ROAD & BRIDGE	85,314,855	0.260	0.280
		HEALTH	85,314,855	0.090	0.100
NODAWAY	HOOVER FRANKUM WATERSHED SUB DIST	GENERAL REVENUE	1,346,580	0.300	0.400
	102 RIVER TRIBUTARIES SUB DIST	GENERAL REVENUE	4,472,590	0.000	0.100
	VILLAGE OF CLYDE	GENERAL REVENUE	121,596	0.540	0.550
	VILLAGE OF PICKERING	STREETS	347,608	0.940	1.000 *
	POLK FIRE PROTECTION DIST	GENERAL REVENUE	18,854,911	0.040	0.050
OREGON	OREGON COUNTY	GENERAL REVENUE	37,231,929	0.020	0.050
		COMMON ROAD DISTRICT	23,218,434	0.220	0.250
POLK	MARION C. EARLY R-V SCHOOL DISTRICT	OPERATING FUNDS-SCHOOLS	9,194,140	1.910	1.940 *
ST. LOUIS	EUREKA FIRE PROT DIST	GENERAL REVENUE	83,968,844	0.720	0.730
		AMBULANCE	83,968,844	0.290	0.300
SCHUYLER	SCHUYLER COUNTY	GENERAL REVENUE	26,458,114	0.400	0.430

NOTE:

The approved column represents the rates determined to be legally permissible for a tax levy based upon the information submitted. An asterisk (*) is used to indicate a levy includes a voter-approved increase or to identify political subdivisions which have not received voter approval for a specific tax levy.

Percentage Change In Adjusted Assessed Valuations From 1988 to 1989



Bond Registration

Under state law, the state auditor is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with state law.

The review is to ensure that the political subdivision does not exceed its debt limit in issuing the bonds and that the bonds were legally authorized. In Missouri, voter approval is required for a political subdivision to incur debt beyond the current year.

In 1989, the State Auditor's office registered 107 bonds with a total value of \$226,568,500. Following is a listing of the political subdivisions that issued bonds, the purpose and amount of the issue:

<u>Issuing Subdivision</u>	<u>Purpose</u>	<u>Amount</u>
Reorganized School District R-IV, Johnson County	School building	\$ 380,000
City of Lake Winnebago	Street improvements	1,250,000
City of Hannibal	Street improvements	750,000
City of Lincoln	Street improvement	325,000
Village of Claycomo	Community building	240,000
City of Howardville	Sewage system	45,000
City of Washburn	Waterworks/sewerage	110,000
Grain Valley R-V School District	School building	2,280,000
City of Platte City	Park improvement	175,000
Union Township, Wright County	Road improvement	50,000
City of Tipton	Waterworks/sewerage	700,000
Zumwalt School District, St. Charles County	School building	5,000,000
Lafayette County School District C-1	Building/refunding	2,800,000
City of St. Peters	Recreation facilities	4,500,000
Bradleyville School District	School building	224,000
Special Road District 1, Daviess County	Road improvement	160,000
Rockwood R-6 School District, St. Louis County	School building	10,000,000
Gasconade Township, Wright County	Road improvement	50,000
City of Des Peres	Public safety	500,000
Francis Howell School District, St. Charles County	School building	3,300,000
St. Charles City School District	School building	1,500,000
Columbia School District, Boone County	School building	\$ 5,000,000

<u>Issuing Subdivision</u>	<u>Purpose</u>	<u>Amount</u>
Riverview Gardens School District, St. Louis County	School building	\$ 3,500,000
R-5 School District, St. Charles County	School building	850,000
Green Township, Nodaway County	Road improvement	160,000
R-III School District, St. Francois County	School building	200,000
City of Lee's Summit	Waterworks	12,701,500
City of Lee's Summit	Street improvement	3,500,000
City of Lee's Summit	Refunding	2,540,000
City of Cleveland	Sewerage system design	40,000
R-2 School District, Greene County	School building	595,000
City of O'Fallon	Storm drainage	2,000,000
Chadwick R-1 School District, Christian County	School building	338,000
Fulton School District 58, Callaway County	School building	2,000,000
Camdenton R-III School District, Camden County	School building	4,570,000
Excelsior Springs School District, No. 40, Clay County	School building	5,000,000
R-2 School District, Miller County	School building	1,100,000
St. Charles Community College	School building	10,000,000
Avenue City R-IX School District, Andrew County	School building	200,000
City of Foristell	Waterworks/sewerage	370,000
R-3 School District, Jefferson County	School building	4,665,000
City of Bucklin	Street improvement	150,000
R-VII School District, Bates County	School building	510,000
City of Rockaway Beach	Sewerage system	505,000
Henry County R-I School District	School building	1,500,000
City of Raymore	Street improvement	1,282,000
Hughes Township, Nodaway County	Road improvement	100,000
Warrensburg R-VI School District	School building	500,000
Warsaw R-IX School District	School building	2,470,000
Adair County R-1 School District	School building	225,000
Madison County R-6 School District	School building	275,000
Jefferson Township, Linn County	Road improvement	80,000
Marion Township, Grundy County	Road improvement	20,000
Putnam County R-1 School District	School building	\$ 1,700,000

<u>Issuing Subdivision</u>	<u>Purpose</u>	<u>Amount</u>
Braymer C-4 School District, Caldwell County	School building	\$ 750,000
North Nodaway County R-VI School District	School building	600,000
City of Lockwood	Waterworks/sewerage	350,000
Polo R-VII School District, Caldwell County	School building	375,000
Clinton School District No. 124, Henry County	School building	2,500,000
Strasburg C-3 School District, Cass County	School building	150,000
City of Grain Valley	Street/storm sewer	525,000
Harrisburg R-VIII School District	School building	100,000
Gentry County R-1 School District	School building	195,000
Verona R-VIII School District, Lawrence County	School building	200,000
Brush Creek Township, Wright County	Road improvement	20,000
Kingsville R-1 School District, Johnson County	School building	791,000
Norborne R-VIII School District, Carroll County	School building	300,000
R-IV School District, Greene County	School building	595,000
Macon County R-1 School District	School building	300,000
Nixa R-2 School District	School building	1,600,000
City of Caruthersville	Sales tax revenue bonds	1,600,000
Parkway C-2 School District, St. Louis County	School building	10,000,000
City of Lilboun	Streets	90,000
R-2 School District, Barry County	School building	195,000
R-3 School District, Washington County	Refunding	2,165,000
Springfield R-12 School District	School building	5,000,000
Jackson County R-7 School District	School building	5,000,000
East Lynne No. 40 School District, Cass County	School building	420,000
Meramec Valley R-3 School District	School building	3,100,000
Consolidated School District, No. 6, Jefferson County	School building	3,750,000
R-7 School District, Jefferson County	School building	2,100,000
City of Bowling Green	Waterworks/sewerage	\$ 750,000

<u>Issuing Subdivision</u>	<u>Purpose</u>	<u>Amount</u>
R-IX School District, Cass County	School building	\$ 3,500,000
Harrison County	Lake	1,100,000
Wentzville R-IV School District	School building	4,500,000
R-IV School District, Boone County	School building	1,150,000
R-II School District, Lincoln County	School building	1,275,000
City of Des Peres	Refunding/facilities	2,000,000
R-11 School District, Stoddard County	School building	4,300,000
R-5 School District, Platte County	Building/refunding	5,250,000
City of Lawson	Waterworks/sewerage	350,000
Mehlville School District	School building	4,500,000
City of Springfield	Sewerage system	3,000,000
R-VI School District, Christian County	Refunding	1,100,000
City of Drexel	Waterworks/sewerage	300,000
State of Missouri	Water pollution	35,000,000
R-IV School District, Christian County	School building	470,000
Paris R-II School District	School building	400,000
City of Fair Grove	Sewerage system	200,000
City of Anderson	Industrial plant	384,000
City of Lakeview	Sewerage system	428,000
Lamar R-1 School District	Refunding	965,000
City of Camdenton	Waterworks/sewerage	1,100,000
Mineral Area College	School building	2,000,000
Crystal City School District	School building	100,000
R-1 School District, Jasper County	Refunding	1,105,000
City of Washington	Development/refunding	<u>5,570,000</u>
		<u>\$ 226,568,500</u>

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